

Message Text

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FM AMEMBASSY MEXICO CITY

TO SECSTATE WASHDC PRIORITY 5475

C O N F I D E N T I A L MEXICO CITY 0081

E.O. 11652: GDS

TAGS: ECON, PGOV, MX

SUBJECT: RESIGNATION OF SECRETARY NATIONAL PATRIMONY
FLORES DE LA PENA

REF: MEXICO 36

1. SECRETARY NATIONAL PATRIMONY HORACIO FLORES DE LA PENA ANNOUNCED HIS RESIGNATION TODAY (JANUARY 3) OSTENSIBLY FOR PURPOSE OF "TURNING THE JOB OVER TO A YOUNGER MAN," IN WORDS OF PRESS SPOKESMAN FOR PATRIMONIO NACIONAL. FLORES IS 51 YEARS OLD.

2. RESIGNATION WAS UNEXPECTED, AND SEVERAL OF FLORES' CLOSE SUBORDINATES WERE UNAWARE OF ANNOUNCEMENT UNTIL IT WAS RELEASED TO PRESS. EMBASSY CONTACTS IN NATIONAL PATRIMONY AND PEMEX REACTED CAUTIOUSLY WHEN QUERIED ABOUT RESIGNATION VOLUNTEERING NO INFORMATION AT THIS TIME.

3. FLORES WILL BE REPLACED BY UNDERSECRETARY OF TREASURY FOR TAX ADMINISTRATION, FRANCISCO JAVIER ALEJO, A YOUNG ACADEMIC ECONOMIST, ONLY RECENTLY SELECTED TO REPLACE GUSTAVO PETRICIOLLI IN HACIENDA.

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4. SPECULATION HERE OVER RESIGNATION CENTERS ON TWO (NOT NECESSARILY INCOMPATIBLE) MOTIVES, BOTH DIFFERING FROM OFFICIAL EXPLANATION. IT IS POSSIBLE THAT FLORES WAS EASED OUT DUE TO INCREASING EMBARRASSMENT OF GOM OVER DISCONCERNING PUBLIC STATEMENTS, SUCH AS FREE-WHEELING SPIRITED (AND PERHAPS SPIRITUOUS) SOCIETY PAGE INTERVIEW IN WHICH HE STATED FIVE ATTEMPTS HAD BEEN MADE ON HIS LIFE SINCE HE BEGAN CRITICIZING TRANSNATIONAL CORPORATIONS. (COMMENT: EMBASSY SOURCES CHECKED WITH POLICE AND NO RECORD EXISTS OF ANY ATTEMPT ON FLORES' LIFE OR THAT OF HIS FAMILY.) HE ALSO HAS COMMENTED RECENTLY ABOUT OPEC NATIONS NOT USING THEIR OIL FUNDS PROPERLY (SEE REFTTEL) AND HAS BEEN PRONE TO MISLEADING OR INCORRECT STATEMENTS ABOUT MEXICO'S PETROLEUM EXPORT SITUATION (SEPTTEL) WHICH HAVE BEEN CARRIED PROMINENTLY IN MEXICAN PRESS ONLY LATER TO BE EXPOSED AS MISLEADING.

5. SECOND POSSIBLE EXPLANATION AND ONE THAT SEEMS PLAUSIBLE TO EMBASSY, FLORES IS KNOWN TO HAVE SYMPATHIZED WITH THE IDEA OF FULL OPEC MEMBERSHIP FOR MEXICO AND IS THOUGHT TO HAVE MADE RECENT STATEMENTS ONLY UNDER PRESSURE ABOUT MEXICO NEEDING "MORE TIME" TO CONSIDER OPEC MEMBERSHIP AND DIFFERENCES BETWEEN MEXICO AND OPEC COUNTRIES ("WE OWN OUR FIELDS, THE OTHERS DO NOT"). IT IS POSSIBLE THAT, IN LIGHT TRA, UPPER ECHELON OFFICIALS (READ PRESIDENT ECHEVERRIA) ARE ADOPTING A "GO-SLOW" APPROACH TOWARD OPEC AND FLORES WAS INCREASINGLY ISOLATED FROM MAINSTREAM OF POLITICAL THOUGHT. AS GOM OFFICIALS DO NOT NORMALLY RESIGN VOLUNTARILY (EXCEPT TO ACCEPT A HIGHER POSITION), WE ASSUME FLORES' RESIGNATION WAS REQUESTED.

6. BIO COMMENT: ALEJO, THE NEW SECRETARY OF NATIONAL PATRIMONY, WAS ONLY APPOINTED SUBSECRETARY OF TREASURY FOR TAX ADMINISTRATION ON OCTOBER 10, 1974. PREVIOUSLY HE HAD BEEN DIRECTOR OF THE FONDO DE CULTURA ECONOMICA (AN INFLUENTIAL SEMI-GOVERNMENTAL INSTITUTE) AND AN IDEA MAN FOR ECHEVERRIA. ALTHOUGH ALEJO CAME TO HIS APPOINTMENT TO TREASURY WITH A REPUTATION AS BEING A LEFTIST, WE HAVE SEEN LITTLE EVIDENCE TO DATE THAT THIS IS THE CASE. HIS PUBLIC

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PRONOUNCEMENTS ON FINANCIAL MATTERS THUS FAR APPEAR REASONABLE AND SOUND, WITH INDICATIONS THE BUSINESS COMMUNITY HAS COME TO ACCEPT HIM. THE DEPARTURE OF FLORES, WHO IS UNIVERSALLY REGARDED AS THE MOST LEFTIST OF THE ECHEVERRIA CABINET, WILL UNDOUBTEDLY BE A SOURCE OF SATISFACTION TO THE MEXICAN PRIVATE SECTOR AND OTHERS DISENCHANTED WITH THE MORE RADICALLY NATIONALISTIC ASPECTS OF THE ECHEVERRIA ADMINISTRATION.

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